

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1640 - HB 1683**

February 23, 2016

**SUMMARY OF BILL:** Requires all nonprofit organizations that receive funds from the sales of special license plates to be subject to certification of the organization's nonprofit status by the Secretary of State; be in good standing with the Secretary; and to submit an annual accounting of all special license plate funds to the Comptroller of the Treasury. Prohibits license plates for entities not certified as nonprofit organizations from being issued or renewed. Requires funds to be withheld, if a nonprofit organization fails to comply with the annual accounting requirement, and until such organization achieves compliance.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. §§ 55-4-201(j) and (k), nonprofit organizations that receive funds from the sales of any new specialty earmarked license plates authorized by statute on or after July 1, 2008, are subject to certification of their nonprofit status by the Secretary of State and are required to submit annual accounting of funds to the Comptroller of the Treasury.
- The proposed legislation establishes that all nonprofit organizations that receive funds from the sale of specialty license plates, regardless of when such plates were authorized, are subject to the same requirements. It further requires funds to be withheld if a nonprofit organization fails to comply with the annual accounting requirement, until compliance is reached.
- Any increase in revenue to the state for issuance of certificates of existence showing that a nonprofit organization is active and in good standing with the Secretary of State is estimated to be not significant.
- The Secretary of State will not incur significant expenditures to ensure compliance with the requirements of this legislation.
- According to the Comptroller's Office, the majority of nonprofit organizations currently submit an annual accounting of funds to the Office. Any increase in expenditures for the Comptroller to assure compliance with this legislation will be not significant.
- There will not be a significant decrease in the number of license plates issued or renewed as a result of a nonprofit organization's noncompliance with the annual reporting requirement.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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